

Message

From: George Levitte [glevitte@google.com]
Sent: 4/24/2019 10:16:19 PM
To: Rahul Srinivasan [rahulsr@google.com]
Subject: Re: Unified Pricing Followup: Watson Advertising's list of questions

thanks!

this is pretty exhaustive

one thing to consider - they may actually have better data on impact than we do, since they've seen similar auction changes as other SSPs have switched to 1P

On Wed, Apr 24, 2019 at 5:56 PM Rahul Srinivasan <rahulsr@google.com> wrote:
+George Levitte

On Wed, Apr 24, 2019 at 4:59 PM Rahul Srinivasan <rahulsr@google.com> wrote:
Great, thanks Bryan!

On Wed, Apr 24, 2019 at 4:51 PM Bryan Tracy <bryantracy@google.com> wrote:
+Shiv Sinha

Hi Rahul -

Sounds good, will do. Thanks to you, Sam, George and Noam for making yourselves available to engage more deeply with Weather. We appreciate the candor and willingness to talk through the transition closely with our contacts.

We put together a doc of open questions and notes from Weather last week and will continue to build it out with the new/updated questions from Felix.

We will follow up and comment you into the doc where relevant.

Thanks,
Bryan

On Wed, Apr 24, 2019 at 3:55 PM Rahul Srinivasan <rahulsr@google.com> wrote:
-Weather
+Giulio Minguzzi +Fabrizio Angelini +Nitish Korula +Bryan Rowley fyi

Allison/Bryan, I think some of these questions are covered in the comms doc and FAQ doc that Giulio has put together, but some aren't. Would you be able to take the lead on the responses? Happy to review, and please feel free to pull in Giulio, Fabrizio and me in the your response doc, for questions that aren't covered/ need nuanced responses. Thank you for setting up the call yesterday!

On Wed, Apr 24, 2019 at 2:53 PM Felix Zeng <fzeng@us.ibm.com> wrote:
Brian, Sam, Alli, Bryan and Rahul,

Thank you and your team for your time yesterday. We agreed that this is a once in a decade change and we are concerned about its impact on our large Programmatic business. We want to collaborate on improvements before the changes are fully roll out.

Our collective questions are below. I included ones that we asked on the call and Google's answers in italics so Google can confirm our understandings are correct.

After we receive your responses, we can set up a time to talk about the outstanding questions.

Best,
Felix

A. Capabilities for Publishers:

1. Are we still able to floor Advertisers AND DSPs? *No, floor by advertisers but it would be the same price across all DSPs.*

2. Can we make the bid data available earlier? Where can our Data team go to grab this data? *Yes, google will work with us in a separate meeting.*

3. Google will change the floors depending on reserved price, enhanced dynamic allocation, etc... Do publishers have access to these to inflated prices? *No, but Rahul will talk to the engineers.*

If our goal is transparency, then if these prices are passed to the buy side then we need to see these prices passed to the sellside also.

4. If the inflated pricing is not available to publishers, we need a toggle to turn off enhanced dynamic allocation. We want transparency so inflated prices based on EDA takes away from transparency.

5. Preferred deals-Why give Google Preferred deals absolute priority if all must be equal? *Sam is open if the other exchanges don't flag every impression as preferred deals. Also if the exchanges don't artificially lift bids.*

6. If Google is concerned with other exchanges adjusting bids, why would Google roll out this package if bid shading is available on the buy side? For a transparent and a fair ecosystem, we cannot bid shade on the buy side as well. The system cannot be sustainable if bids are adjusted on the buy side by platform (Rubicon has EMR but Index doesn't) but publishers have no means to adjust floors by platform.

7. Can we get fully transparent reporting around dynamic allocation and first look as part of this move towards fairness and transparency?

8. Google confirmed for the time being there is nothing on the roadmap to provide any insights while we are testing 1st price on 1-5% of data. Is there any way we can at least get ad hoc reporting? It will be helpful so when we do go 100% first price we are pricing the floors with some direction.

9. Can Google include header bidder bid density data via line item rates in their bid landscape report? *No, Google don't have any data from headers. Can Google provide the winning bid and the identity of the header given Google owns Admanager 360 so the winner and the winning bid is known.*

10. Will Google provide the identity of both winners and losers for auctions by impression?

11. Rollout is 1% until May or 1% in April?

12. This was rolled out to some publishers in beta. What were some of the major issues and what are the outstanding issues?

13. Google is making this move for market transparency and efficiency. It seems as though this move is more to favor the buy side and the publisher side seems to be left completely out. The buy side will have time to adapt to 1st price including bid shading. We would at minimum need at least ad hoc reporting during the testing phase in order to have some direction to how we should price day 1.

B: Buy side of the changes:

1. Will the bid landscape and 100% of the bids info be available for Adwords? *Yes, that will be available.*

2. AdX will be shading bids to ease the buy side into 1st price auction, what is the average % the bids will be shaded by?

3. What determines how much the bid will be shaded by?
4. Can you provide any insight as to how the floor impacts the bid shading algorithm?
5. DV360 must have enhanced their algorithm to bid into other SSPs who have moved to 1st price auctions, what has been the outcome we can come to expect?
6. In AdX's 2nd price auction today, what is the average reduction between 1st and 2nd price? How does this compare to the average reduction from bid shading? This can help us identify if we will be net-negative in terms of CPMs
7. Does the buy-side have access to the 1-5% rollout information to adjust their bids? If they do, why do they have ramp up time but publishers must wait until 100% in July to see the effects?
8. The buy-side offers bid shading tools so transparency seems to be going one-sided because how is Google making sure the bid that makes into the exchange is the raw bid and not a bid that has been shaded?

C. Fairness in the marketplace

1. Will Google flow adwords demand to other SSPs given Google is asking all SSPs to flow their demand through EBDA?
 - a. If Buyers are looking for SPO then we should make every exchange fair with all the demand.
2. Rumor that Google requires all headers to also run in EBDA? If that's true- will you waive the 5% upcharge to use EBDA?

Thank you,

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